

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, AND 30				1. REQUISITION NUMBER		PAGE 1 OF 23	
2. CONTRACT NO. W912HQ-07-D-0001		3. AWARD/EFFECTIVE DATE 20-Mar-2007		4. ORDER NUMBER		5. SOLICITATION NUMBER W912HQ-07-R-0001	
7. FOR SOLICITATION INFORMATION CALL:		a. NAME SUSAN M BURCHELL				b. TELEPHONE NUMBER (No Collect Calls) 703-428-8487	
9. ISSUED BY USACE, HUMPHREYS ENGR CTR SPT ACTIVITY ATTN: CEHEC-CT, 7701 TELEGRAPH ROAD ALEXANDRIA VA 22315-3660 TEL: FAX:		CODE W912HQ		10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE: % FOR <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> 8(A) NAICS: 524210 SIZE STANDARD: \$6.0M		11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) 13b. RATING 14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP	
15. DELIVER TO US ARMY CORPS OF ENGINEERS BUNNANTINE GREENHOUSE 441 G STREET NW WASHINGTON DC 20314		CODE S0DBPM		16. ADMINISTERED BY SUSAN M. BURCHELL PH: 703-428-8487 FX: 703-428-8181 ALEXANDRIA VA		CODE W2CTCS9B	
17a. CONTRACTOR/OFFEROR THE CONTINENTAL INSURANCE CO. ROGER ELLICKSON DBA/ CNA INSURANCE 333 S. WABASH AVENUE CHICAGO IL 60685-1809 TEL. 312-822-4395		CODE 35JK7 FACILITY CODE		18a. PAYMENT WILL BE MADE BY USAED(HQUSACE) C/O USACE FINANCE CENTER 5722 INTEGRITY DRIVE MILLINGTON TN 38054-5005			
<input type="checkbox"/> 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a. UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/ SERVICES		21. QUANTITY		22. UNIT	
		SEE SCHEDULE					
25. ACCOUNTING AND APPROPRIATION DATA						26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$0.00	
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3, 52.212-5 ARE ATTACHED.						ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED.						ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	
28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 0 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.				29. AWARD OF CONTRACT: REFERENCE Revised Proposal <input checked="" type="checkbox"/> OFFER DATED 05-Mar-2007. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: SEE SCHEDULE			
30a. SIGNATURE OF OFFEROR/CONTRACTOR				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)		31c. DATE SIGNED 20-Mar-2007	
30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)				30c. DATE SIGNED		31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT) LYNN M HARPER / CONTRACTING OFFICER TEL: 703-428-7406 EMAIL: LYNN.M.HARPER@HQ02.USACE.ARMY.MIL	

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS (CONTINUED)					PAGE 2 OF 23	
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/ SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT	
	SEE SCHEDULE					
32a. QUANTITY IN COLUMN 21 HAS BEEN <input type="checkbox"/> RECEIVED <input type="checkbox"/> INSPECTED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____						
32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE			
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE			32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE			
			32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE			
33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		37. CHECK NUMBER	
<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL						
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY				
41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT 41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		41c. DATE	42a. RECEIVED BY <i>(Print)</i>			
			42b. RECEIVED AT <i>(Location)</i>			
			42c. DATE REC'D <i>(YY/MM/DD)</i>	42d. TOTAL CONTAINERS		

Section SF 1449 - CONTINUATION SHEET

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Phase II DBA Insurance FFP Pilot Program for USACE Contractor Employees Prosecuting Work in OCONUS Areas of Operations FOB: Destination				\$ NC
NET AMT					\$0.00

PURPOSE

The purpose of this solicitation is to provide a follow-on centrally-managed source of Worker's Compensation Insurance, pursuant to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.) under the U.S. Army Corps of Engineers (USACE) Pilot Program sponsored by the Office of the Secretary of Defense. The Contractor/Insurance Carrier will receive a single Delivery Order for total execution and management of the Centrally-Managed Defense Base Act (42 U.S.C. 1651 et seq.) program, assuming all responsibility for successfully dealing directly with the USACE Contractors requiring DBA insurance for performance outside of the Continental United States (OCONUS), with the exception of Hawaii and Alaska, for payment arrangements and resolution of issues.

CONTRACT LINE ITEMS

The Insurance Carrier shall provide a Centrally-Managed DBA insurance Pilot Program for a one (1) year period in strict compliance to the provisions of this solicitation. **Rates will be established for Services and Construction with all considerations for risks, geographical regions of contract execution, to include hostile and non-hostile and all considerations for Safety included in the single rate.**

Item No.	Supplies and Services	Max Quantity	Unit	Unit Price	Max Amount
0001	Centrally-Managed DBA Insurance as specified herein for 1-12 Month Period of Performance.				
0001AA	Services			\$ 3.50* Per \$100 of Employee Remuneration	
0001AB	Construction			\$7.25* Per \$100 of Employee Remuneration	

***The contractor's revised offer dated 05 March 2007 is hereby incorporated by reference.**

NOTES:

- a. For purposes of this contract, employee remuneration is defined as salary plus overseas recruitment incentive and post differential, but excludes per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances. Pursuant to the War Hazards Compensation Act, benefits payable to the Contractor's employees due to injury or death caused by war hazards will be reimbursed to the carrier or paid directly to the beneficiary by the Department of Labor
- b. Hostile Area under this solicitation is restricted to performance of work in support of the Global War on Terrorism (GWOT) initially only in the Balkans, Iraq and Afghanistan, but could under the duration of the contract apply to other Theaters should the GWOT expand beyond these regions.
- c. Safety Record Differential – If a company applies for DBA insurance coverage and has no safety record of experience OCONUS, Offerors under this solicitation are required to include in each of the single rates for services and construction, consideration for Safety—there shall not be a separate safety record differential.
- d. "Insurance Carrier" refers to the successful offeror under this solicitation and "Contractor" refers to the USACE Contractor receiving an individual contract award from on of the USACE Field Contracting Offices.

PERFORMANCE WORK STATEMENT

C.1 BACKGROUND

1.1 The Department of Defense (DoD) has the requirement to continue the pilot program (Phase II) for an additional 12 months, to complete its DBA Insurance study and assessment, after which a business case analysis of both Phases, I and II will be made, to determine whether the benefits afforded the government warrants consideration of expanding the DBA Program within DoD, beyond the United States Army Corps of Engineer's (USACE) assured Contracts Volume being performed outside of Continental United States (OCONUS) with the exception of Hawaii and Alaska,

1.2 The purpose of this contract is to provide a required source of Worker's Compensation Insurance, as required by the Defense Base Act (DBA), for the total volume of contracts awarded and administered by the USACE as the Executive Agent, for work performed (OCONUS) with the exception of Hawaii and Alaska. DBA insurance coverage applies to individuals employed under USACE contracts or subcontracts or Foreign Military Sales (FMS), regardless of the duration of their assignment, and is over and above any State Worker's Compensation Insurance coverage.

1.3 DBA insurance coverage is required for employees of contractors (and their subcontractors) unless a waiver has been obtained from the U.S. Department of Labor (See FAR 28.305), see Technical Exhibit #2. However, no waiver applies to any employee who is:

- a. Hired in the United States;
- b. A resident of the United States; or,
- c. A citizen of the United States

1.4 Benefits. This contract should obtain economy of scales within the framework of the USACE recent FY06 OCONUS Theater execution of more than \$3.0B and projections of at least \$3.6B for OCONUS for FY07 and beyond annually, see Technical Exhibit #1. The Government anticipates awarding a follow-on Requirements Contract, not to exceed a 1-year duration to further test the principal for a potential DoD-wide Centrally-managed DBA, possibly moving to a Multiple Award IDIQ contract, should the program be later expanded in DoD beyond the Corps of Engineers Pilot Program. The award of a follow-on DBA Requirements Contract will facilitate the collection of statistically-sound cost reduction data, cost reasonableness data, claims management activities and results, and complete the execution of the conceptually-planned 2-years DBA Pilot Program, which the government project management team deemed necessary for proof of principal in building a business case for a DoD-wide consideration of a Centrally-managed DBA and to finally drive through competition a benchmark of cost reasonableness never before tested by the government.

C.2 DESCRIPTION OF SPECIFICATIONS

All USACE contractors (prime or a subcontractor at any tier) performing contracts that are subject to the Defense Base Act (see FAR 28.305) are required to purchase DBA insurance under this Requirements contract, **whenever the contractor either obtains new DBA insurance or renews existing DBA insurance**, unless a waiver is obtained, or they are under a DBA Self-insurance program approved by the Department of Labor. The successful Insurance Carrier under this solicitation will provide to the USACE Contractor purchasing DBA Insurance under this contract, a certificate of DBA Insurance, validating coverage.

C.2.1 Special Requirements: In addition to coverage provided by the statutory Defense Base Act, Emergency Transportation expenses shall include payment for the cost of emergency transportation to the nearest suitable medical facility when it is determined by the attending physician that the nature of the injury or illness necessitates such a move. The Insurance Carrier shall cover the reasonable travel and accommodation expenses with respect to such emergency transportation. The rate shall be based on the Insurance Carriers experience working with medical coordinators and attending physicians in assessing, determining and arranging for the most suitable mode of transportation warranted by the medical condition. Costs for this benefit shall include the cost of equipment and specialized medical personnel required during transportation to the healthcare facility or facilities that the USACE shall deem appropriate.

C.2.1.1. War Hazards Compensation Act Notice. The War Hazards Compensation Act (42 U.S.C. 1701 et. Seq.), provides benefits payable to the USACE Contractor's employers due to injury or death caused by war hazards. Payment will be reimbursed to the Insurance Carrier or paid directly to the beneficiary by the Department of Labor. (See 20 CFR Part 61).

C.2.1.2. Minimum Premium. The Insurance Carrier shall not assess minimum premiums on any USACE Contractor. Only the actual premium based on a concept of a pooled risk single rate (rate/\$100 of employee remuneration) shall be permitted.

C.2.1.3. Catastrophic Claims. The Insurance Carrier shall have the capability to dispatch a claims team, adequate to provide efficient claims service, in the event of a catastrophe, which occurs in the performance of a USACE contract.

C.2.1.4. Subcontractor Coverage. The policy provided by the Insurance Carrier to the USACE Contractor shall contain a provision that subcontractors at every tier (required) of the USACE Contractor performing work under the same USACE contract will automatically be covered by the policy unless other Prime Contractor arrangements of subcontractor flow down will demonstrate coverage in accordance with the tenets of the DBA, unless there is an approved Department of Labor Self-insured plan, which affords lower costs for the premium to the government.

C.2.1.5. Hold Harmless Clause. The Insurance Carrier agrees to hold DoD and the USACE harmless of any claims arising out of the DBA insurance coverage on U.S. Army Corps of Engineers contracts.

C.2.1.6. Additional Insured Endorsement. The coverage shall include the blanket additional insured/additional named insured endorsement.

C.2.1.7. Guaranteed Cost. The coverage shall be awarded as guaranteed rates under this contract, with a breakout only for the Emergency Transportation Rate (See Note d. on Para. B.2). The single rates for Construction and Services will include all consideration for hostile and non-hostile environments and any concerns for Safety Records of USACE Contractors and the Emergency Transportation.

C.2.1.8. Knowledge of Occurrence. Knowledge of Occurrence by the agent or employee of the U.S. Army Corps of Engineers Contractor shall not in and of itself constitute knowledge that the USACE Contractor has received such notice from its agent, or employee.

C.2.1.9. Notice of Occurrence. Workers' Compensation Claim First Report. In the event the USACE Contractor should report an incident to the successful Insurance Carrier, which later develops into a liability claim, failure to report such incident shall not be deemed in violation of the general conditions entitled "Notice of the Company" upon the distinct understanding and agreement, however that the USACE Contractor will, as soon as it receives notice of the fact that the particular accident is a liability case rather than a compensation case, give notice of the aforesaid accident to the Insurance Carrier.

C.2.1.10. Failure to Disclose All Hazards. Failure of the USACE Contractor to disclose all hazards existing as of the inception date of any resulting contract, as agreed upon by the parties, shall not prejudice

the USACE Contractor with respect to the coverage afforded by any resulting contract, provided such failure is not intentional.

C.2.1.11. Unintentional Errors and Omissions. Coverage provided for by the Insurance Carrier shall not be invalidated or affected by any errors, omissions or improper descriptions mentioned in the policy or information provided to the underwriters with respect thereto. Complete resolution of all premium issues and concerns shall be resolved by the Insurance Carrier.

C.3. PROGRESS/COMPLIANCE REPORTS

C.3.1. Quarterly Premium Reports – The Insurance Carrier shall submit a written quarterly premium report in duplicate to the Contracting Officer, seven working days after the completion of each quarter.

C.3.1.1. The quarterly premium report shall include a narrative statement reflecting major activities and accomplishments, problem areas, and shall include the following information:

- a. Name of each USACE contractor
- b. USACE contract number
- c. DBA insurance carrier's policy number
- d. Listing by contractor of the total premium paid for the quarter
- e. Listing by contractor of the total premium paid to date

C.3.2. Semi-Annual Premium/Loss Experience Report – The Insurance Carrier shall submit a written semi-annual premium/loss experience report in duplicate to the Contracting Officer, seven working days at the completion of the first 6 months and at the completion of the second 6 months contract period.

C.3.2.1. The Semi-annual premium/loss experience report shall include the following information:

- a. Name of USACE Contractor
- b. Nature and date of loss
- c. Claim amount for each individual loss (amount paid to date and amount held in reserve)
- d. Total loss experience for previous six month period (loss summary should identify nature of each loss, whether loss is medical claim or accident claim)

C.3.3. Annual Loss Experience Report – The Insurance Carrier shall submit a written annual loss experience report in duplicate to the Contracting Officer at the completion of the contract period.

The annual loss experience report shall include the following information:

- a. Name of each contractor
- b. USACE contract number
- c. DBA insurance carrier's policy number
- d. Listing by contractor of the nature and date of loss
- e. Listing by contractor of the total claim amount for each individual loss (amount paid to date and amount held in reserve) (listing should reflect adjustments premiums and reserves)
- f. Total loss to date

DELIVERY INFORMATION

CLIN	DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
0001	POP 01-APR-2007 TO 31-MAR-2008	N/A	US ARMY CORPS OF ENGINEERS BUNNANTINE GREENHOUSE 441 G STREET NW WASHINGTON DC 20314 202-761-7169 FOB: Destination	S0DBAPM

CLAUSES INCORPORATED BY REFERENCE

252.204-7003	Control Of Government Personnel Work Product	APR 1992
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CLAUSES INCORPORATED BY FULL TEXT

52.212-4 CONTRACT TERMS AND CONDITIONS-- COMMERCIAL ITEMS (SEP 2005)

(a) Inspection/Acceptance. The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights (1) within a reasonable time after the defect was discovered or should have been discovered; and (2) before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) Assignment. The Contractor or its assignee may assign its rights to receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (e.g., use of the Governmentwide commercial purchase card), the Contractor may not assign its rights to receive payment under this contract.

(c) Changes. Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) Disputes. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) Definitions. The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement or any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) Invoice. (1) The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized) to the address designated in the contract to receive invoices. An invoice must include--

(i) Name and address of the Contractor;

(ii) Invoice date and number;

(iii) Contract number, contract line item number and, if applicable, the order number;

(iv) Description, quantity, unit of measure, unit price and extended price of the items delivered;

(v) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading;

(vi) Terms of any discount for prompt payment offered;

(vii) Name and address of official to whom payment is to be sent;

(viii) Name, title, and phone number of person to notify in event of defective invoice; and

(ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.

(x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5 CFR part 1315.

(h) Patent indemnity. The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) Payment.--

(1) Items accepted. Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract.

(2) Prompt payment. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

(3) Electronic Funds Transfer (EFT). If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) Discount. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(5) Overpayments. If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

(j) Risk of loss. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) Taxes. The contract price includes all applicable Federal, State, and local taxes and duties.

(l) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

(m) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(n) Title. Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(o) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(p) Limitation of liability. Except as otherwise provided by an express warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) Other compliances. The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(r) Compliance with laws unique to Government contracts. The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 3701, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

(s) Order of precedence. Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order: (1) the schedule of supplies/services; (2) the Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of this clause; (3) the clause at 52.212-5; (4) addenda to this solicitation or contract, including any license agreements for computer software; (5) solicitation provisions if this is a solicitation; (6) other paragraphs of this clause; (7) the Standard Form 1449; (8) other documents, exhibits, and attachments; and (9) the specification.

(t) Central Contractor Registration (CCR). (1) Unless exempted by an addendum to this contract, the Contractor is responsible during performance and through final payment of any contract for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(2)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in FAR subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of subpart 42.12; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (t)(2)(i) of this clause, or fails to perform the agreement at paragraph (t)(2)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(3) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423 or 269-961-5757.

(End of clause)

52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS--COMMERCIAL ITEMS (SEP 2006)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(2) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: (Contracting Officer check as appropriate.)

 X (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (SEP 2006), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

 (2) 52.219-3, Notice of HUBZone Small Business Set-Aside (Jan 1999) (15 U.S.C. 657a).

 (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JUL 2005) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

 (4) [Removed].

 (5)(i) 52.219-6, Notice of Total Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).

 (ii) Alternate I (OCT 1995) of 52.219-6.

 (iii) Alternate II (MAR 2004) of 52.219-6.

 (6)(i) 52.219-7, Notice of Partial Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).

 (ii) Alternate I (OCT 1995) of 52.219-7.

 (iii) Alternate II (MAR 2004) of 52.219-7.

 (7) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637 (d)(2) and (3)).

 (8)(i) 52.219-9, Small Business Subcontracting Plan (SEP 2006) (15 U.S.C. 637(d)(4)).

 (ii) Alternate I (OCT 2001) of 52.219-9

 (iii) Alternate II (OCT 2001) of 52.219-9.

 (9) 52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637(a)(14)).

___ (10)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (SEP 2005) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).

___ (ii) Alternate I (JUNE 2003) of 52.219-23.

___ (11) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (OCT 1999) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (12) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (13) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (May 2004).

X (14) 52.222-3, Convict Labor (JUNE 2003) (E.O. 11755).

X (15) 52.222-19, Child Labor--Cooperation with Authorities and Remedies (JAN 2006) (E.O. 13126).

X (16) 52.222-21, Prohibition of Segregated Facilities (FEB 1999).

X (17) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

X (18) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).

X (19) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

X (20) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).

X (21) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201).

___ (22)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (AUG 2000) (42 U.S.C. 6962(c)(3)(A)(ii)).

___ (ii) Alternate I (AUG 2000) of 52.223-9 (42 U.S.C. 6962(i)(2)(c)).

___ (23) 52.225-1, Buy American Act--Supplies (JUNE 2003) (41 U.S.C. 10a-10d).

___ (24)(i) 52.225-3, Buy American Act--Free Trade Agreements--Israeli Trade Act (JUN 2006) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, Pub. L. 108-77, 108-78, 108-286 and 109-53).

___ (ii) Alternate I (JAN 2004) of 52.225-3.

___ (iii) Alternate II (JAN 2004) of 52.225-3.

___ (25) 52.225-5, Trade Agreements (JUN 2006) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).

X (26) 52.225-13, Restrictions on Certain Foreign Purchases (FEB 2006) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of Treasury).

___ (27) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (42 U.S.C. 5150).

___ (28) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (42 U.S.C. 5150).

___ (29) 52.232-29, Terms for Financing of Purchases of Commercial Items (FEB 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

___ (30) 52.232-30, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

 X (31) 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration (OCT 2003) (31 U.S.C. 3332).

___ (32) 52.232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332).

___ (33) 52.232-36, Payment by Third Party (MAY 1999) (31 U.S.C. 3332).

___ (34) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).

___ (35)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631).

___ (ii) Alternate I (APR 2003) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:
[Contracting Officer check as appropriate.]

___ (1) 52.222-41, Service Contract Act of 1965, as Amended (JUL 2005) (41 U.S.C. 351, et seq.).

___ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

___ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act--Price Adjustment (Multiple Year and Option Contracts) (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

___ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act--Price Adjustment (February 2002) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records--Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this

contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (i) through (vi) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause--

(i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (April 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEP 2006) (38 U.S.C. 4212).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).

(v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201).

(vi) 52.222-41, Service Contract Act of 1965, as Amended (Jul 2005), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, et seq.).

(vii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the contractor May include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)

52.216-18 ORDERING. (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from 01 April 2007 through 31 March 2008.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

(End of clause)

52.216-21 REQUIREMENTS (OCT 1995)

(a) This is a requirements contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies or services specified in the Schedule are estimates only and are not purchased by this contract. Except as this contract may otherwise provide, if the Government's requirements do not result in orders in the quantities described as "estimated" or "maximum" in the Schedule, that fact shall not constitute the basis for an equitable price adjustment.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. Subject to any limitations in the Order Limitations clause or elsewhere in this contract, the Contractor shall furnish to the Government all supplies or services specified in the Schedule and called for by orders issued in accordance with the Ordering clause. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(c) Except as this contract otherwise provides, the Government shall order from the Contractor all the supplies or services specified in the Schedule that are required to be purchased by the Government activity or activities specified in the Schedule.

(d) The Government is not required to purchase from the Contractor requirements in excess of any limit on total orders under this contract.

(e) If the Government urgently requires delivery of any quantity of an item before the earliest date that delivery may be specified under this contract, and if the Contractor will not accept an order providing for the accelerated delivery, the Government may acquire the urgently required goods or services from another source.

(f) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after 31 March 2008.

(End of clause)

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 14 days prior to the expiration of the contract.

(End of clause)

252.212-7001 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS APPLICABLE TO DEFENSE ACQUISITIONS OF COMMERCIAL ITEMS (OCT 2006)

(a) The Contractor agrees to comply with the following Federal Acquisition Regulation (FAR) clause which, if checked, is included in this contract by reference to implement a provision of law applicable to acquisitions of commercial items or components.

☒ 52.203-3, Gratuities (APR 1984) (10 U.S.C. 2207).

(b) The Contractor agrees to comply with any clause that is checked on the following list of Defense FAR Supplement clauses which, if checked, is included in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items or components.

(1) ☒ 252.205-7000, Provision of Information to Cooperative Agreement Holders (DEC 1991) (10 U.S.C. 2416).

(2) ☐ 252.219-7003, Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts) (APR 1996) (15 U.S.C. 637).

(3) ☐ 252.219-7004, Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program) (JUN 1997) (15 U.S.C. 637 note).

(4) ☒ 252.225-7001, Buy American Act and Balance of Payments Program (JUN 2005) (41 U.S.C. 10a-10d, E.O. 10582).

(5) ☐ 252.225-7012, Preference for Certain Domestic Commodities (JUN 2004) (10 U.S.C. 2533a).

(6) ☐ 252.225-7014, Preference for Domestic Specialty Metals (JUN 2005) (10 U.S.C. 2533a).

(7) ☐ 252.225-7015, Restriction on Acquisition of Hand or Measuring Tools (JUN 2005) (10 U.S.C. 2533a).

(8) ☐ 252.225-7016, Restriction on Acquisition of Ball and Roller Bearings (MAR 2006) (Section 8065 of Public Law 107-117 and the same restriction in subsequent DoD appropriations acts).

(9) ☐ 252.225-7021, Trade Agreements (OCT 2006) (19 U.S.C. 2501-2518 and 19 U.S.C. 3301 note).

(10) ☐ 252.225-7027, Restriction on Contingent Fees for Foreign Military Sales (APR 2003) (22 U.S.C. 2779).

(11) ☐ 252.225-7028, Exclusionary Policies and Practices of Foreign Governments (APR 2003) (22 U.S.C. 2755).

(12)(i) ☐ 252.225-7036, Buy American Act--Free Trade Agreements--Balance of Payments Program (OCT 2006) (41 U.S.C. 10a-10d and 19 U.S.C. 3301 note).

(ii) ☐ Alternate I (OCT 2006) of 252.225-7036.

(13) ___ 252.225-7038, Restriction on Acquisition of Air Circuit Breakers (JUN 2005) (10 U.S.C. 2534(a)(3)).

(14) ___ 252.226-7001, Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (SEP 2004) (Section 8021 of Pub. L. 107-248 and similar sections in subsequent DoD appropriations acts).

(15) _X_ 252.227-7015, Technical Data--Commercial Items (NOV 1995) (10 U.S.C. 2320).

(16) ___ 252.227-7037, Validation of Restrictive Markings on Technical Data (SEP 1999) (10 U.S.C. 2321).

(17) ___ 252.232-7003, Electronic Submission of Payment Requests (MAY 2006) (10 U.S.C. 2227).

(18) ___ 252.237-7019, Training for Contractor Personnel Interacting with Detainees (SEP 2006) (Section 1092 of Public Law 108-375).

(19) ___ 252.243-7002, Requests for Equitable Adjustment (MAR 1998) (10 U.S.C. 2410).

(20)(i) ___ 252.247-7023, Transportation of Supplies by Sea (MAY 2002) (10 U.S.C. 2631).

(ii) ___ Alternate I (MAR 2000) of 252.247-7023.

(iii) ___ Alternate II (MAR 2000) of 252.247-7023.

(iv) ___ Alternate III (MAY 2002) of 252.247-7023.

(21) ___ 252.247-7024, Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631).

(c) In addition to the clauses listed in paragraph (e) of the Contract Terms and Conditions Required to Implement Statutes or Executive Orders--Commercial Items clause of this contract (FAR 52.212-5), the Contractor shall include the terms of the following clauses, if applicable, in subcontracts for commercial items or commercial components, awarded at any tier under this contract:

(1) 252.225-7014, Preference for Domestic Specialty Metals, Alternate I (APR 2003) (10 U.S.C. 2533a).

(2) 252.237-7019, Training for Contractor Personnel Interacting with Detainees (SEP 2006) (Section 1092 of Public Law 108-375).

(3) 252.247-7023, Transportation of Supplies by Sea (MAY 2002) (10 U.S.C. 2631).

(4) 252.247-7024, Notification of Transportation of Supplies by Sea (MAR 2000) (10 U.S.C. 2631).

(End of clause)

PLACE OF PERFORMANCE

The principal place of performance for this contract shall be within the Continental United States (CONUS).

CONTRACTING OFFICER/AUTHORITY

a. All contractual administration will be carried out by the Contracting Officer, address as shown on the face page of the contract. Communications pertaining to contract administration matters will be addressed to the Contracting Officer at the address shown. No changes in, deviation from, the Scope of Work shall be effected without a contract modification executed by the Contracting Officer authorizing such changes.

b. The Contracting Officer is the only person authorized to approve changes in any of the requirements under this contract and notwithstanding any provisions contained elsewhere in this contract, the said authority remains solely in the Contracting Officer. In the event the Contractor effects any such change at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in cost incurred as a result thereof.

IDENTIFICATION OF CORRESPONDENCE

All correspondence and data submitted by the contractor under this contract shall reference the contract number.

ORDERING AND PAYMENT

Ordering:

1. Definition – for purposes of the “requirements” nature of this contract, Government orders will be deemed to have been placed at the time that covered contracts and/or modifications as for actual placement of orders for DBA coverage.

2. All actual orders for DBA Insurance will be placed directly by the U.S. Army Corps of Engineers contractors. The Government will not guarantee the purchase from the contractor of any minimum quantity of coverage hereunder. The Insurance Carrier shall accept any order placed against this contract during its effective period, and notwithstanding any other clause of this contract, all DBA Insurance orders shall remain in full force and effect for their term, regardless of length, and furthermore, the Insurance Carrier shall be required to provide the coverage.

Payment:

DBA Insurance premiums will be paid by the U.S. Army Corps of Engineers contractors or any subordinate subcontractors in accordance with standard commercial practice. The Government will not be responsible for any DBA Insurance premium payments.

List of Technical Exhibits and Attachments

TE-1	Historical Data
TE-2	DOL List of Waivers

TECHNICAL EXHIBIT #1

Historical Data

U.S. Army Corps of Engineers:

Within the framework of the U.S. Army Corps of Engineers, recent FY06 OCONUS Theater execution of more than \$3.0B and projections of at least \$3.6B for OCONUS for FY07 and beyond annually were reported by the USACE Field Offices. These estimates are cautioned as conservatively low because the FY06 data does not contain USACE Contract Volume Data for Europe District, Puerto Rico and the Virgin Islands, etc., which should have initially been in compliance to the Pilot Program; subsequently after about six months of the Pilot Program's start, Europe District was provided a Department of Labor (DOL) waiver for all contractual actions in FY06, requiring DBA insurance; therefore no Europe District, Puerto Rico and Virgin Islands contract volume data is included, nor none of the Infrastructure Communications Support Contract Volume.

In accordance contract volume data received from the USACE Field Activities, \$2.7B of the FY06 capacity was specifically for operations in Iraq and Afghanistan and approximately \$3.0 of the \$3.6B FY07- FY08 (1st Quarter) projection is estimated for contract award in support of Iraq and Afghanistan. Most of the Projection Data was provided as None as of this time or unknown. Note, that these estimates are on a low conservative side and can be considered only a Rough Order of Magnitude Estimate, as best.

Existing USACE Centrally-Managed DBA Pilot Program (Phase I): Under the Risk Pooling Concept of the USACE Pilot Program, the rates are \$5/\$100 of Employee wages, for Services; and \$8.50/\$100 of Employee wages for Construction. From the demonstrated performance under the USACE Pilot Program in Phase I, some Carriers encouraging inclusion in the full and open competitive program, demonstrated the potential for rates lower than the incumbent's rates; which could be realized under this Phase II DBA Follow-on DBA Pilot Program solicitation.

U.S. Army Field Support Command, Rock Island IL, last year looked internally at 8 proposals submitted under the LOGCAP III effort, and it appeared that DBA costs are around 3.4% of all estimated costs to complete. DBA rates are calculated on gross labor per \$100 of payroll, where benefit packages include injury, disability and death and death benefits are paid only to spouse and children, which includes 50% of average pay for spouse for life or until survivor marries. Based on unofficial information from DCAA, a Contractor as estimated their total direct labor for their insurance company and were given a rate based on that estimate, i.e., 16.2% for Iraq and Kuwait; and 3.78% for all other areas. With the risk pooling approach under this solicitation and the apparent volume, DoD and the U.S. Army Corps of Engineers anticipates that the rates for the hostile areas to be much lower than the above and that the non-hostile areas should not

be adversely affected with consideration for pooled safety records of the individual companies.

USAID Current DBA Contract lists:

All Types Contracts (Program on-going for 30 years)	\$1.58 per \$100 of employee Remuneration*
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The Department of State Current DBA Contract lists:

Services Contracts, financed by DOS	\$6.45 per \$100 of employee Remuneration*
Construction Contracts	\$8.34 per \$100 of employee Remuneration*

Note: Due to loss ratio, rates increased in accordance with the existing Contract Formula

* Employee remuneration is defined as salary plus post differential, but excludes per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances. Pursuant to the War Hazards Compensation Act, benefits payable to the Contractor's employees due to injury or death caused by war hazards will be reimbursed to the carrier or paid directly to the beneficiary by the Department of Labor.

TECHNICAL EXHIBIT #2

List of DOL Waivers

List of blanket waivers to include the following countries:

Belgium

Germany

Japan

Oman

United Arab Emirates

Saudi Arabia

South America

Honduras

El Salvador

Qatar

Botswana